

01804

1995/01/25

Key Questions
on the
China Space Launch Agreement

I. What is your projection of annual world demand for total space launches (broken down into civilian, military, and commercial categories) requiring GEO-type launch vehicles each year from 1995 to 2001? To the extent possible, distinguish between launches requiring these vehicles to GEO and LEO as well as by lift capacity.

II. What are your comments regarding the February 1994 COMSTAC analysis of the GEO market and the March 1994 DOT analysis of the LEO market?

III. A. What is the annual launch capacity of U.S. providers into GEO and LEO? What is your assessment of the annual launch capacity of other non-U.S. providers into GEO and LEO? Explain any special adjustments/rationale. What is your assessment on supply/demand imbalances for space launch services that may emerge from 1995 to 2005?

B. What contracts for Chinese space launch services (from 1995 through 2001) have been signed or are expected to be signed prior to December 31, 1994?

IV. Are there special factors limiting the participation of particular providers in the market?

V. Agreement issues:

--How should the Agreement deal with supply/demand imbalances, that is, if a Western launch is unavailable during a particular time frame? How can such a determination be made? What abuses would we have to guard against in administering provisions creating flexibility to address circumstances when no "Western" launch capability exists?

--Suggestions for the blanks in the Agreement: GEO quota, LEO limitations, and pricing consultation trigger? duration of the agreement? the definition of international customer? any comments on other annex definitions?

--What factors should be included in a consensus list of price comparability factors? Should the consensus list be a part of the Agreement? [We are currently looking at the following factors: vehicle lift capability, satellite lifetime in orbit, payment terms and conditions, orbital transfer phase, risk management, launch scheduling and additional costs such as transportation, security, customer staff and technical integration expenses.]

--Bunching provisions currently address both "commitments" and "launches". What are your views on the necessity/desirability of either or both standards in the Agreement? What role should bunching provisions play in the Agreement?

--What would be the most effective criteria for determining a "leased" satellite? by percentage of leased transponders, by whole satellite, by owner, by some other method?